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HOUSE BILL 2959

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State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Wood, Ormsby, Springer, Conway, Linville, Barlow, Walsh, and Quall

Read first time 01/18/08. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to craft distilleries; amending RCW 66.24.140,  
2 66.04.010, 66.24.150, 66.24.310, 66.24.520, 66.28.040, 66.28.060,  
3 66.28.150, 66.28.155, 66.40.140, and 66.24.481; reenacting and amending  
4 RCW 66.04.010, 66.28.010, and 66.24.210; adding a new section to  
5 chapter 66.24 RCW; providing an effective date; and providing an  
6 expiration date.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8            **Sec. 1.** RCW 66.24.140 and 1981 1st ex.s. c 5 s 28 are each amended  
9 to read as follows:

10            There shall be a license to distillers, including blending,  
11 rectifying and bottling; fee two thousand dollars per annum(~~+~~  
12 ~~PROVIDED, That~~), unless provided otherwise as follows:

13            (1) For distillers producing twenty thousand gallons or less of  
14 spirits using a pot still with at least half of the raw materials used  
15 in the production grown in Washington, the license fee shall be reduced  
16 to one hundred dollars per annum;

17            (2) The board shall license stills used and to be used solely and  
18 only by a commercial chemist for laboratory purposes, and not for the

1 manufacture of liquor for sale, at a fee of twenty dollars per annum(~~+~~  
2 ~~PROVIDED, FURTHER, That~~));

3 (3) The board shall license stills used and to be used solely and  
4 only for laboratory purposes in any school, college or educational  
5 institution in the state, without fee(~~+~~~~PROVIDED, FURTHER, That~~);  
6 and

7 (4) The board shall license stills which shall have been duly  
8 licensed as fruit and/or wine distilleries by the federal government,  
9 used and to be used solely as fruit and/or wine distilleries in the  
10 production of fruit brandy and wine spirits, at a fee of two hundred  
11 dollars per annum.

12 NEW SECTION. Sec. 2. A new section is added to chapter 66.24 RCW  
13 to read as follows:

14 (1) Any craft distillery may sell spirits of its own production for  
15 consumption off the premises, up to nine liters per person per day.  
16 Spirits sold under this subsection must be purchased from the board and  
17 sold at the retail price established by the board. A craft distillery  
18 selling spirits under this subsection must comply with the applicable  
19 laws and rules relating to retailers.

20 (3) Any craft distillery licensed under this section may provide,  
21 free of charge, one-half ounce or less samples of spirits of its own  
22 production to persons on the premises of the distillery. The maximum  
23 total per person per day is two ounces. Every person who participates  
24 in any manner in the service of samples must obtain a class 12 or 13  
25 alcohol server permit. Spirits used for samples must be purchased from  
26 the board.

27 (4) The board shall adopt rules to implement the alcohol server  
28 permit requirement and may adopt additional rules to implement this  
29 section.

30 (5) The use of purchased neutral grain spirits shall be prohibited  
31 by a craft distillery unless those neutral grain spirits are made in  
32 Washington state.

33 (6) Distilling is an agricultural practice.

34 **Sec. 3.** RCW 66.04.010 and 2007 c 226 s 1 are each amended to read  
35 as follows:

36 In this title, unless the context otherwise requires:

1 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
2 oxide of ethyl, or spirit of wine, which is commonly produced by the  
3 fermentation or distillation of grain, starch, molasses, or sugar, or  
4 other substances including all dilutions and mixtures of this  
5 substance. The term "alcohol" does not include alcohol in the  
6 possession of a manufacturer or distiller of alcohol fuel, as described  
7 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
8 for use in motor vehicles, farm implements, and machines or implements  
9 of husbandry.

10 (2) "Authorized representative" means a person who:

11 (a) Is required to have a federal basic permit issued pursuant to  
12 the federal alcohol administration act, 27 U.S.C. Sec. 204;

13 (b) Has its business located in the United States outside of the  
14 state of Washington;

15 (c) Acquires ownership of beer or wine for transportation into and  
16 resale in the state of Washington; and which beer or wine is produced  
17 anywhere outside Washington by a brewery or winery which does not hold  
18 a certificate of approval issued by the board; and

19 (d) Is appointed by the brewery or winery referenced in (c) of this  
20 subsection as its exclusive authorized representative for marketing and  
21 selling its products within the United States in accordance with a  
22 written agreement between the authorized representative and such  
23 brewery or winery pursuant to this title. The board may waive the  
24 requirement for the written agreement of exclusivity in situations  
25 consistent with the normal marketing practices of certain products,  
26 such as classified growths.

27 (3) "Beer" means any malt beverage, flavored malt beverage, or malt  
28 liquor as these terms are defined in this chapter.

29 (4) "Beer distributor" means a person who buys beer from a domestic  
30 brewery, microbrewery, beer certificate of approval holder, or beer  
31 importers, or who acquires foreign produced beer from a source outside  
32 of the United States, for the purpose of selling the same pursuant to  
33 this title, or who represents such brewer or brewery as agent.

34 (5) "Beer importer" means a person or business within Washington  
35 who purchases beer from a beer certificate of approval holder or who  
36 acquires foreign produced beer from a source outside of the United  
37 States for the purpose of selling the same pursuant to this title.

1 (6) "Brewer" or "brewery" means any person engaged in the business  
2 of manufacturing beer and malt liquor. Brewer includes a brand owner  
3 of malt beverages who holds a brewer's notice with the federal bureau  
4 of alcohol, tobacco, and firearms at a location outside the state and  
5 whose malt beverage is contract-produced by a licensed in-state  
6 brewery, and who may exercise within the state, under a domestic  
7 brewery license, only the privileges of storing, selling to licensed  
8 beer distributors, and exporting beer from the state.

9 (7) "Board" means the liquor control board, constituted under this  
10 title.

11 (8) "Club" means an organization of persons, incorporated or  
12 unincorporated, operated solely for fraternal, benevolent, educational,  
13 athletic or social purposes, and not for pecuniary gain.

14 (9) "Confection" means a preparation of sugar, honey, or other  
15 natural or artificial sweeteners in combination with chocolate, fruits,  
16 nuts, dairy products, or flavorings, in the form of bars, drops, or  
17 pieces.

18 (10) "Consume" includes the putting of liquor to any use, whether  
19 by drinking or otherwise.

20 (11) "Contract liquor store" means a business that sells liquor on  
21 behalf of the board through a contract with a contract liquor store  
22 manager.

23 (12) "Craft distillery" means a distillery that pays the reduced  
24 licensing fee under section 1 of this act.

25 (13) "Dentist" means a practitioner of dentistry duly and regularly  
26 licensed and engaged in the practice of his profession within the state  
27 pursuant to chapter 18.32 RCW.

28 ~~((13))~~ (14) "Distiller" means a person engaged in the business of  
29 distilling spirits.

30 ~~((14))~~ (15) "Domestic brewery" means a place where beer and malt  
31 liquor are manufactured or produced by a brewer within the state.

32 ~~((15))~~ (16) "Domestic winery" means a place where wines are  
33 manufactured or produced within the state of Washington.

34 ~~((16))~~ (17) "Druggist" means any person who holds a valid  
35 certificate and is a registered pharmacist and is duly and regularly  
36 engaged in carrying on the business of pharmaceutical chemistry  
37 pursuant to chapter 18.64 RCW.

1        ~~((17))~~ (18) "Drug store" means a place whose principal business  
2 is, the sale of drugs, medicines and pharmaceutical preparations and  
3 maintains a regular prescription department and employs a registered  
4 pharmacist during all hours the drug store is open.

5        ~~((18))~~ (19) "Employee" means any person employed by the board.

6        ~~((19))~~ (20) "Flavored malt beverage" means:

7        (a) A malt beverage containing six percent or less alcohol by  
8 volume to which flavoring or other added nonbeverage ingredients are  
9 added that contain distilled spirits of not more than forty-nine  
10 percent of the beverage's overall alcohol content; or

11        (b) A malt beverage containing more than six percent alcohol by  
12 volume to which flavoring or other added nonbeverage ingredients are  
13 added that contain distilled spirits of not more than one and one-half  
14 percent of the beverage's overall alcohol content.

15        ~~((20))~~ (21) "Fund" means 'liquor revolving fund.'

16        ~~((21))~~ (22) "Hotel" means every building or other structure kept,  
17 used, maintained, advertised or held out to the public to be a place  
18 where food is served and sleeping accommodations are offered for pay to  
19 transient guests, in which twenty or more rooms are used for the  
20 sleeping accommodation of such transient guests and having one or more  
21 dining rooms where meals are served to such transient guests, such  
22 sleeping accommodations and dining rooms being conducted in the same  
23 building and buildings, in connection therewith, and such structure or  
24 structures being provided, in the judgment of the board, with adequate  
25 and sanitary kitchen and dining room equipment and capacity, for  
26 preparing, cooking and serving suitable food for its guests: PROVIDED  
27 FURTHER, That in cities and towns of less than five thousand  
28 population, the board shall have authority to waive the provisions  
29 requiring twenty or more rooms.

30        ~~((22))~~ (23) "Importer" means a person who buys distilled spirits  
31 from a distillery outside the state of Washington and imports such  
32 spirituous liquor into the state for sale to the board or for export.

33        ~~((23))~~ (24) "Imprisonment" means confinement in the county jail.

34        ~~((24))~~ (25) "Liquor" includes the four varieties of liquor herein  
35 defined (alcohol, spirits, wine and beer), and all fermented,  
36 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
37 liquor, a part of which is fermented, spirituous, vinous or malt  
38 liquor, or otherwise intoxicating; and every liquid or solid or

1 semisolid or other substance, patented or not, containing alcohol,  
2 spirits, wine or beer, and all drinks or drinkable liquids and all  
3 preparations or mixtures capable of human consumption, and any liquid,  
4 semisolid, solid, or other substance, which contains more than one  
5 percent of alcohol by weight shall be conclusively deemed to be  
6 intoxicating. Liquor does not include confections or food products  
7 that contain one percent or less of alcohol by weight.

8 ~~((+25+))~~ (26) "Manufacturer" means a person engaged in the  
9 preparation of liquor for sale, in any form whatsoever.

10 ~~((+26+))~~ (27) "Malt beverage" or "malt liquor" means any beverage  
11 such as beer, ale, lager beer, stout, and porter obtained by the  
12 alcoholic fermentation of an infusion or decoction of pure hops, or  
13 pure extract of hops and pure barley malt or other wholesome grain or  
14 cereal in pure water containing not more than eight percent of alcohol  
15 by weight, and not less than one-half of one percent of alcohol by  
16 volume. For the purposes of this title, any such beverage containing  
17 more than eight percent of alcohol by weight shall be referred to as  
18 "strong beer."

19 ~~((+27+))~~ (28) "Package" means any container or receptacle used for  
20 holding liquor.

21 ~~((+28+))~~ (29) "Passenger vessel" means any boat, ship, vessel,  
22 barge, or other floating craft of any kind carrying passengers for  
23 compensation.

24 ~~((+29+))~~ (30) "Permit" means a permit for the purchase of liquor  
25 under this title.

26 ~~((+30+))~~ (31) "Person" means an individual, copartnership,  
27 association, or corporation.

28 ~~((+31+))~~ (32) "Physician" means a medical practitioner duly and  
29 regularly licensed and engaged in the practice of his profession within  
30 the state pursuant to chapter 18.71 RCW.

31 ~~((+32+))~~ (33) "Prescription" means a memorandum signed by a  
32 physician and given by him to a patient for the obtaining of liquor  
33 pursuant to this title for medicinal purposes.

34 ~~((+33+))~~ (34) "Public place" includes streets and alleys of  
35 incorporated cities and towns; state or county or township highways or  
36 roads; buildings and grounds used for school purposes; public dance  
37 halls and grounds adjacent thereto; those parts of establishments where  
38 beer may be sold under this title, soft drink establishments, public

1 buildings, public meeting halls, lobbies, halls and dining rooms of  
2 hotels, restaurants, theatres, stores, garages and filling stations  
3 which are open to and are generally used by the public and to which the  
4 public is permitted to have unrestricted access; railroad trains,  
5 stages, and other public conveyances of all kinds and character, and  
6 the depots and waiting rooms used in conjunction therewith which are  
7 open to unrestricted use and access by the public; publicly owned  
8 bathing beaches, parks, and/or playgrounds; and all other places of  
9 like or similar nature to which the general public has unrestricted  
10 right of access, and which are generally used by the public.

11 ~~((+34+))~~ (35) "Regulations" means regulations made by the board  
12 under the powers conferred by this title.

13 ~~((+35+))~~ (36) "Restaurant" means any establishment provided with  
14 special space and accommodations where, in consideration of payment,  
15 food, without lodgings, is habitually furnished to the public, not  
16 including drug stores and soda fountains.

17 ~~((+36+))~~ (37) "Sale" and "sell" include exchange, barter, and  
18 traffic; and also include the selling or supplying or distributing, by  
19 any means whatsoever, of liquor, or of any liquid known or described as  
20 beer or by any name whatever commonly used to describe malt or brewed  
21 liquor or of wine, by any person to any person; and also include a sale  
22 or selling within the state to a foreign consignee or his agent in the  
23 state. "Sale" and "sell" shall not include the giving, at no charge,  
24 of a reasonable amount of liquor by a person not licensed by the board  
25 to a person not licensed by the board, for personal use only. "Sale"  
26 and "sell" also does not include a raffle authorized under RCW  
27 9.46.0315: PROVIDED, That the nonprofit organization conducting the  
28 raffle has obtained the appropriate permit from the board.

29 ~~((+37+))~~ (38) "Soda fountain" means a place especially equipped  
30 with apparatus for the purpose of dispensing soft drinks, whether mixed  
31 or otherwise.

32 ~~((+38+))~~ (39) "Spirits" means any beverage which contains alcohol  
33 obtained by distillation, except flavored malt beverages, but including  
34 wines exceeding twenty-four percent of alcohol by volume.

35 ~~((+39+))~~ (40) "Store" means a state liquor store established under  
36 this title.

37 ~~((+40+))~~ (41) "Tavern" means any establishment with special space

1 and accommodation for sale by the glass and for consumption on the  
2 premises, of beer, as herein defined.

3 ~~((41))~~ (42) "Winery" means a business conducted by any person for  
4 the manufacture of wine for sale, other than a domestic winery.

5 ~~((42))~~ (43)(a) "Wine" means any alcoholic beverage obtained by  
6 fermentation of fruits (grapes, berries, apples, et cetera) or other  
7 agricultural product containing sugar, to which any saccharine  
8 substances may have been added before, during or after fermentation,  
9 and containing not more than twenty-four percent of alcohol by volume,  
10 including sweet wines fortified with wine spirits, such as port,  
11 sherry, muscatel and angelica, not exceeding twenty-four percent of  
12 alcohol by volume and not less than one-half of one percent of alcohol  
13 by volume. For purposes of this title, any beverage containing no more  
14 than fourteen percent of alcohol by volume when bottled or packaged by  
15 the manufacturer shall be referred to as "table wine," and any beverage  
16 containing alcohol in an amount more than fourteen percent by volume  
17 when bottled or packaged by the manufacturer shall be referred to as  
18 "fortified wine." However, "fortified wine" shall not include: (i)  
19 Wines that are both sealed or capped by cork closure and aged two years  
20 or more; and (ii) wines that contain more than fourteen percent alcohol  
21 by volume solely as a result of the natural fermentation process and  
22 that have not been produced with the addition of wine spirits, brandy,  
23 or alcohol.

24 (b) This subsection shall not be interpreted to require that any  
25 wine be labeled with the designation "table wine" or "fortified wine."

26 ~~((43))~~ (44) "Wine distributor" means a person who buys wine from  
27 a domestic winery, wine certificate of approval holder, or wine  
28 importer, or who acquires foreign produced wine from a source outside  
29 of the United States, for the purpose of selling the same not in  
30 violation of this title, or who represents such vintner or winery as  
31 agent.

32 ~~((44))~~ (45) "Wine importer" means a person or business within  
33 Washington who purchases wine from a wine certificate of approval  
34 holder or who acquires foreign produced wine from a source outside of  
35 the United States for the purpose of selling the same pursuant to this  
36 title.

1       **Sec. 4.** RCW 66.04.010 and 2007 c 370 s 10 and 2007 c 226 s 1 are  
2 each reenacted and amended to read as follows:

3       In this title, unless the context otherwise requires:

4       (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
5 oxide of ethyl, or spirit of wine, which is commonly produced by the  
6 fermentation or distillation of grain, starch, molasses, or sugar, or  
7 other substances including all dilutions and mixtures of this  
8 substance. The term "alcohol" does not include alcohol in the  
9 possession of a manufacturer or distiller of alcohol fuel, as described  
10 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
11 for use in motor vehicles, farm implements, and machines or implements  
12 of husbandry.

13       (2) "Authorized representative" means a person who:

14       (a) Is required to have a federal basic permit issued pursuant to  
15 the federal alcohol administration act, 27 U.S.C. Sec. 204;

16       (b) Has its business located in the United States outside of the  
17 state of Washington;

18       (c) Acquires ownership of beer or wine for transportation into and  
19 resale in the state of Washington; and which beer or wine is produced  
20 anywhere outside Washington by a brewery or winery which does not hold  
21 a certificate of approval issued by the board; and

22       (d) Is appointed by the brewery or winery referenced in (c) of this  
23 subsection as its exclusive authorized representative for marketing and  
24 selling its products within the United States in accordance with a  
25 written agreement between the authorized representative and such  
26 brewery or winery pursuant to this title. The board may waive the  
27 requirement for the written agreement of exclusivity in situations  
28 consistent with the normal marketing practices of certain products,  
29 such as classified growths.

30       (3) "Beer" means any malt beverage, flavored malt beverage, or malt  
31 liquor as these terms are defined in this chapter.

32       (4) "Beer distributor" means a person who buys beer from a domestic  
33 brewery, microbrewery, beer certificate of approval holder, or beer  
34 importers, or who acquires foreign produced beer from a source outside  
35 of the United States, for the purpose of selling the same pursuant to  
36 this title, or who represents such brewer or brewery as agent.

37       (5) "Beer importer" means a person or business within Washington

1 who purchases beer from a beer certificate of approval holder or who  
2 acquires foreign produced beer from a source outside of the United  
3 States for the purpose of selling the same pursuant to this title.

4 (6) "Brewer" or "brewery" means any person engaged in the business  
5 of manufacturing beer and malt liquor. Brewer includes a brand owner  
6 of malt beverages who holds a brewer's notice with the federal bureau  
7 of alcohol, tobacco, and firearms at a location outside the state and  
8 whose malt beverage is contract-produced by a licensed in-state  
9 brewery, and who may exercise within the state, under a domestic  
10 brewery license, only the privileges of storing, selling to licensed  
11 beer distributors, and exporting beer from the state.

12 (7) "Board" means the liquor control board, constituted under this  
13 title.

14 (8) "Club" means an organization of persons, incorporated or  
15 unincorporated, operated solely for fraternal, benevolent, educational,  
16 athletic or social purposes, and not for pecuniary gain.

17 (9) "Confection" means a preparation of sugar, honey, or other  
18 natural or artificial sweeteners in combination with chocolate, fruits,  
19 nuts, dairy products, or flavorings, in the form of bars, drops, or  
20 pieces.

21 (10) "Consume" includes the putting of liquor to any use, whether  
22 by drinking or otherwise.

23 (11) "Contract liquor store" means a business that sells liquor on  
24 behalf of the board through a contract with a contract liquor store  
25 manager.

26 (12) "Craft distillery" means an establishment that produces within  
27 Washington twenty thousand gallons or less of spirits per year using a  
28 pot still and in which more than fifty percent of the raw materials  
29 used in the production are grown in Washington.

30 (13) "Dentist" means a practitioner of dentistry duly and regularly  
31 licensed and engaged in the practice of his profession within the state  
32 pursuant to chapter 18.32 RCW.

33 ((+13)) (14) "Distiller" means a person engaged in the business of  
34 distilling spirits.

35 ((+14)) (15) "Domestic brewery" means a place where beer and malt  
36 liquor are manufactured or produced by a brewer within the state.

37 ((+15)) (16) "Domestic winery" means a place where wines are  
38 manufactured or produced within the state of Washington.

1        ~~((16))~~ (17) "Druggist" means any person who holds a valid  
2 certificate and is a registered pharmacist and is duly and regularly  
3 engaged in carrying on the business of pharmaceutical chemistry  
4 pursuant to chapter 18.64 RCW.

5        ~~((17))~~ (18) "Drug store" means a place whose principal business  
6 is, the sale of drugs, medicines and pharmaceutical preparations and  
7 maintains a regular prescription department and employs a registered  
8 pharmacist during all hours the drug store is open.

9        ~~((18))~~ (19) "Employee" means any person employed by the board.

10       ~~((19))~~ (20) "Flavored malt beverage" means:

11       (a) A malt beverage containing six percent or less alcohol by  
12 volume to which flavoring or other added nonbeverage ingredients are  
13 added that contain distilled spirits of not more than forty-nine  
14 percent of the beverage's overall alcohol content; or

15       (b) A malt beverage containing more than six percent alcohol by  
16 volume to which flavoring or other added nonbeverage ingredients are  
17 added that contain distilled spirits of not more than one and one-half  
18 percent of the beverage's overall alcohol content.

19       ~~((20))~~ (21) "Fund" means 'liquor revolving fund.'

20       ~~((21))~~ (22) "Hotel" means buildings, structures, and grounds,  
21 having facilities for preparing, cooking, and serving food, that are  
22 kept, used, maintained, advertised, or held out to the public to be a  
23 place where food is served and sleeping accommodations are offered for  
24 pay to transient guests, in which twenty or more rooms are used for the  
25 sleeping accommodation of such transient guests. The buildings,  
26 structures, and grounds must be located on adjacent property either  
27 owned or leased by the same person or persons.

28       ~~((22))~~ (23) "Importer" means a person who buys distilled spirits  
29 from a distillery outside the state of Washington and imports such  
30 spirituous liquor into the state for sale to the board or for export.

31       ~~((23))~~ (24) "Imprisonment" means confinement in the county jail.

32       ~~((24))~~ (25) "Liquor" includes the four varieties of liquor herein  
33 defined (alcohol, spirits, wine and beer), and all fermented,  
34 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
35 liquor, a part of which is fermented, spirituous, vinous or malt  
36 liquor, or otherwise intoxicating; and every liquid or solid or  
37 semisolid or other substance, patented or not, containing alcohol,  
38 spirits, wine or beer, and all drinks or drinkable liquids and all

1 preparations or mixtures capable of human consumption, and any liquid,  
2 semisolid, solid, or other substance, which contains more than one  
3 percent of alcohol by weight shall be conclusively deemed to be  
4 intoxicating. Liquor does not include confections or food products  
5 that contain one percent or less of alcohol by weight.

6 ~~((+25+))~~ (26) "Manufacturer" means a person engaged in the  
7 preparation of liquor for sale, in any form whatsoever.

8 ~~((+26+))~~ (27) "Malt beverage" or "malt liquor" means any beverage  
9 such as beer, ale, lager beer, stout, and porter obtained by the  
10 alcoholic fermentation of an infusion or decoction of pure hops, or  
11 pure extract of hops and pure barley malt or other wholesome grain or  
12 cereal in pure water containing not more than eight percent of alcohol  
13 by weight, and not less than one-half of one percent of alcohol by  
14 volume. For the purposes of this title, any such beverage containing  
15 more than eight percent of alcohol by weight shall be referred to as  
16 "strong beer."

17 ~~((+27+))~~ (28) "Package" means any container or receptacle used for  
18 holding liquor.

19 ~~((+28+))~~ (29) "Passenger vessel" means any boat, ship, vessel,  
20 barge, or other floating craft of any kind carrying passengers for  
21 compensation.

22 ~~((+29+))~~ (30) "Permit" means a permit for the purchase of liquor  
23 under this title.

24 ~~((+30+))~~ (31) "Person" means an individual, copartnership,  
25 association, or corporation.

26 ~~((+31+))~~ (32) "Physician" means a medical practitioner duly and  
27 regularly licensed and engaged in the practice of his profession within  
28 the state pursuant to chapter 18.71 RCW.

29 ~~((+32+))~~ (33) "Prescription" means a memorandum signed by a  
30 physician and given by him to a patient for the obtaining of liquor  
31 pursuant to this title for medicinal purposes.

32 ~~((+33+))~~ (34) "Public place" includes streets and alleys of  
33 incorporated cities and towns; state or county or township highways or  
34 roads; buildings and grounds used for school purposes; public dance  
35 halls and grounds adjacent thereto; those parts of establishments where  
36 beer may be sold under this title, soft drink establishments, public  
37 buildings, public meeting halls, lobbies, halls and dining rooms of  
38 hotels, restaurants, theatres, stores, garages and filling stations

1 which are open to and are generally used by the public and to which the  
2 public is permitted to have unrestricted access; railroad trains,  
3 stages, and other public conveyances of all kinds and character, and  
4 the depots and waiting rooms used in conjunction therewith which are  
5 open to unrestricted use and access by the public; publicly owned  
6 bathing beaches, parks, and/or playgrounds; and all other places of  
7 like or similar nature to which the general public has unrestricted  
8 right of access, and which are generally used by the public.

9 ~~((+34+))~~ (35) "Regulations" means regulations made by the board  
10 under the powers conferred by this title.

11 ~~((+35+))~~ (36) "Restaurant" means any establishment provided with  
12 special space and accommodations where, in consideration of payment,  
13 food, without lodgings, is habitually furnished to the public, not  
14 including drug stores and soda fountains.

15 ~~((+36+))~~ (37) "Sale" and "sell" include exchange, barter, and  
16 traffic; and also include the selling or supplying or distributing, by  
17 any means whatsoever, of liquor, or of any liquid known or described as  
18 beer or by any name whatever commonly used to describe malt or brewed  
19 liquor or of wine, by any person to any person; and also include a sale  
20 or selling within the state to a foreign consignee or his agent in the  
21 state. "Sale" and "sell" shall not include the giving, at no charge,  
22 of a reasonable amount of liquor by a person not licensed by the board  
23 to a person not licensed by the board, for personal use only. "Sale"  
24 and "sell" also does not include a raffle authorized under RCW  
25 9.46.0315: PROVIDED, That the nonprofit organization conducting the  
26 raffle has obtained the appropriate permit from the board.

27 ~~((+37+))~~ (38) "Soda fountain" means a place especially equipped  
28 with apparatus for the purpose of dispensing soft drinks, whether mixed  
29 or otherwise.

30 ~~((+38+))~~ (39) "Spirits" means any beverage which contains alcohol  
31 obtained by distillation, except flavored malt beverages, but including  
32 wines exceeding twenty-four percent of alcohol by volume.

33 ~~((+39+))~~ (40) "Store" means a state liquor store established under  
34 this title.

35 ~~((+40+))~~ (41) "Tavern" means any establishment with special space  
36 and accommodation for sale by the glass and for consumption on the  
37 premises, of beer, as herein defined.

1       (~~(41)~~) (42) "Winery" means a business conducted by any person for  
2 the manufacture of wine for sale, other than a domestic winery.

3       (~~(42)~~) (43)(a) "Wine" means any alcoholic beverage obtained by  
4 fermentation of fruits (grapes, berries, apples, et cetera) or other  
5 agricultural product containing sugar, to which any saccharine  
6 substances may have been added before, during or after fermentation,  
7 and containing not more than twenty-four percent of alcohol by volume,  
8 including sweet wines fortified with wine spirits, such as port,  
9 sherry, muscatel and angelica, not exceeding twenty-four percent of  
10 alcohol by volume and not less than one-half of one percent of alcohol  
11 by volume. For purposes of this title, any beverage containing no more  
12 than fourteen percent of alcohol by volume when bottled or packaged by  
13 the manufacturer shall be referred to as "table wine," and any beverage  
14 containing alcohol in an amount more than fourteen percent by volume  
15 when bottled or packaged by the manufacturer shall be referred to as  
16 "fortified wine." However, "fortified wine" shall not include: (i)  
17 Wines that are both sealed or capped by cork closure and aged two years  
18 or more; and (ii) wines that contain more than fourteen percent alcohol  
19 by volume solely as a result of the natural fermentation process and  
20 that have not been produced with the addition of wine spirits, brandy,  
21 or alcohol.

22       (b) This subsection shall not be interpreted to require that any  
23 wine be labeled with the designation "table wine" or "fortified wine."

24       (~~(43)~~) (44) "Wine distributor" means a person who buys wine from  
25 a domestic winery, wine certificate of approval holder, or wine  
26 importer, or who acquires foreign produced wine from a source outside  
27 of the United States, for the purpose of selling the same not in  
28 violation of this title, or who represents such vintner or winery as  
29 agent.

30       (~~(44)~~) (45) "Wine importer" means a person or business within  
31 Washington who purchases wine from a wine certificate of approval  
32 holder or who acquires foreign produced wine from a source outside of  
33 the United States for the purpose of selling the same pursuant to this  
34 title.

35       **Sec. 5.** RCW 66.24.150 and 1997 c 321 s 2 are each amended to read  
36 as follows:

37       There shall be a license to manufacturers of liquor, including all

1 kinds of manufacturers except those licensed as distillers, craft  
2 distilleries, domestic brewers, microbreweries, wineries, and domestic  
3 wineries, authorizing such licensees to manufacture, import, sell, and  
4 export liquor from the state; fee five hundred dollars per annum.

5 **Sec. 6.** RCW 66.24.310 and 1997 c 321 s 17 are each amended to read  
6 as follows:

7 (1) No person shall canvass for, solicit, receive, or take orders  
8 for the purchase or sale of liquor, nor contact any licensees of the  
9 board in goodwill activities, unless such person shall be the  
10 accredited representative of a person, firm, or corporation holding a  
11 certificate of approval issued pursuant to RCW 66.24.270 or 66.24.206,  
12 a beer distributor's license, a microbrewer's license, a domestic  
13 brewer's license, a beer importer's license, a domestic winery license,  
14 a wine importer's license, or a wine distributor's license within the  
15 state of Washington, or the accredited representative of a distiller,  
16 craft distillery, manufacturer, importer, or distributor of spirituous  
17 liquor, or foreign produced beer or wine, and shall have applied for  
18 and received a representative's license: PROVIDED, HOWEVER, That the  
19 provisions of this section shall not apply to drivers who deliver beer  
20 or wine;

21 (2) Every representative's license issued under this title shall be  
22 subject to all conditions and restrictions imposed by this title or by  
23 the rules and regulations of the board; the board, for the purpose of  
24 maintaining an orderly market, may limit the number of representative's  
25 licenses issued for representation of specific classes of eligible  
26 employers;

27 (3) Every application for a representative's license must be  
28 approved by a holder of a certificate of approval issued pursuant to  
29 RCW 66.24.270 or 66.24.206, a licensed beer distributor, a licensed  
30 domestic brewer, a licensed beer importer, a licensed microbrewer, a  
31 licensed domestic winery, a licensed wine importer, a licensed wine  
32 distributor, or by a distiller, craft distillery, manufacturer,  
33 importer, or distributor of spirituous liquor, or foreign produced beer  
34 or wine, as the rules and regulations of the board shall require;

35 (4) The fee for a representative's license shall be twenty-five  
36 dollars per year;

1 (5) An accredited representative of a distiller, craft distillery,  
2 manufacturer, importer, or distributor of spirituous liquor may, after  
3 he or she has applied for and received a representative's license,  
4 contact retail licensees of the board only in goodwill activities  
5 pertaining to spirituous liquor products.

6 **Sec. 7.** RCW 66.24.520 and 1986 c 214 s 1 are each amended to read  
7 as follows:

8 There shall be a grower's license to sell wine made from grapes or  
9 other agricultural products owned at the time of vinification by the  
10 licensee in bulk to holders of domestic wineries', distillers', craft  
11 distilleries', or manufacturers' licenses or for export. The wine  
12 shall be made upon the premises of a domestic winery licensee and is  
13 referred to in this section as grower's wine. A grower's license  
14 authorizes the agricultural product grower to contract for the  
15 manufacturing of wine from the grower's own agricultural product, store  
16 wine in bulk made from agricultural products produced by the holder of  
17 this license, and to sell wine in bulk made from the grower's own  
18 agricultural products to a winery (~~(or)~~), distillery, or craft  
19 distillery in the state of Washington or to export in bulk for sale  
20 out-of-state. The annual fee for a grower's license shall be seventy-  
21 five dollars. For the purpose of chapter 66.28 RCW, a grower licensee  
22 shall be deemed a manufacturer.

23 **Sec. 8.** RCW 66.28.010 and 2007 c 370 s 2, 2007 c 369 s 1, 2007 c  
24 222 s 3, and 2007 c 217 s 1 are each reenacted and amended to read as  
25 follows:

26 (1)(a) No manufacturer, importer, distributor, or authorized  
27 representative, or person financially interested, directly or  
28 indirectly, in such business; whether resident or nonresident, shall  
29 have any financial interest, direct or indirect, in any licensed retail  
30 business, unless the retail business is owned by a corporation in which  
31 a manufacturer or importer has no direct stock ownership and there are  
32 no interlocking officers and directors, the retail license is held by  
33 a corporation that is not owned directly or indirectly by a  
34 manufacturer or importer, the sales of liquor are incidental to the  
35 primary activity of operating the property as a hotel, alcoholic  
36 beverages produced by the manufacturer or importer or their

1 subsidiaries are not sold at the licensed premises, and the board  
2 reviews the ownership and proposed method of operation of all involved  
3 entities and determines that there will not be an unacceptable level of  
4 control or undue influence over the operation or the retail licensee;  
5 nor shall any manufacturer, importer, distributor, or authorized  
6 representative own any of the property upon which such licensed persons  
7 conduct their business; nor shall any such licensed person, under any  
8 arrangement whatsoever, conduct his or her business upon property in  
9 which any manufacturer, importer, distributor, or authorized  
10 representative has any interest unless title to that property is owned  
11 by a corporation in which a manufacturer has no direct stock ownership  
12 and there are no interlocking officers or directors, the retail license  
13 is held by a corporation that is not owned directly or indirectly by  
14 the manufacturer, the sales of liquor are incidental to the primary  
15 activity of operating the property either as a hotel or as an  
16 amphitheater offering live musical and similar live entertainment  
17 activities to the public, alcoholic beverages produced by the  
18 manufacturer or any of its subsidiaries are not sold at the licensed  
19 premises, and the board reviews the ownership and proposed method of  
20 operation of all involved entities and determines that there will not  
21 be an unacceptable level of control or undue influence over the  
22 operation of the retail licensee. Except as provided in subsection (3)  
23 of this section, no manufacturer, importer, distributor, or authorized  
24 representative shall advance moneys or moneys' worth to a licensed  
25 person under an arrangement, nor shall such licensed person receive,  
26 under an arrangement, an advance of moneys or moneys' worth. "Person"  
27 as used in this section only shall not include those state or federally  
28 chartered banks, state or federally chartered savings and loan  
29 associations, state or federally chartered mutual savings banks, or  
30 institutional investors which are not controlled directly or indirectly  
31 by a manufacturer, importer, distributor, or authorized representative  
32 as long as the bank, savings and loan association, or institutional  
33 investor does not influence or attempt to influence the purchasing  
34 practices of the retailer with respect to alcoholic beverages. Except  
35 as otherwise provided in this section, no manufacturer, importer,  
36 distributor, or authorized representative shall be eligible to receive  
37 or hold a retail license under this title, nor shall such manufacturer,  
38 importer, distributor, or authorized representative sell at retail any

1 liquor as herein defined. A corporation granted an exemption under  
2 this subsection may use debt instruments issued in connection with  
3 financing construction or operations of its facilities.

4 (b) Nothing in this section shall prohibit a licensed domestic  
5 brewery or microbrewery from being licensed as a retailer pursuant to  
6 chapter 66.24 RCW for the purpose of selling beer or wine at retail on  
7 the brewery premises and at one additional off-site retail only  
8 location and nothing in this section shall prohibit a domestic winery  
9 from being licensed as a retailer pursuant to chapter 66.24 RCW for the  
10 purpose of selling beer or wine at retail on the winery premises. Such  
11 beer and wine so sold at retail shall be subject to the taxes imposed  
12 by RCW 66.24.290 and 66.24.210 and to reporting and bonding  
13 requirements as prescribed by regulations adopted by the board pursuant  
14 to chapter 34.05 RCW, and beer and wine that is not produced by the  
15 brewery or winery shall be purchased from a licensed beer or wine  
16 distributor. Nothing in this section shall prohibit a microbrewery  
17 holding a beer and/or wine restaurant license under RCW 66.24.320 from  
18 holding the same privileges and endorsements attached to the beer  
19 and/or wine restaurant license. Nothing in this section shall prohibit  
20 a licensed craft distillery from selling spirits of its own production  
21 under section 2 of this act.

22 (c) Nothing in this section shall prohibit a licensed distiller,  
23 domestic brewery, microbrewery, domestic winery, or a lessee of a  
24 licensed domestic brewer, microbrewery, or domestic winery, from being  
25 licensed as a spirits, beer, and wine restaurant pursuant to chapter  
26 66.24 RCW for the purpose of selling liquor at a spirits, beer, and  
27 wine restaurant premises on the property on which the primary  
28 manufacturing facility of the licensed distiller, domestic brewer,  
29 microbrewery, or domestic winery is located or on contiguous property  
30 owned or leased by the licensed distiller, domestic brewer,  
31 microbrewery, or domestic winery as prescribed by rules adopted by the  
32 board pursuant to chapter 34.05 RCW. Nothing in this section shall  
33 prohibit a microbrewery holding a spirits, beer, and wine restaurant  
34 license under RCW 66.24.420 from holding the same privileges and  
35 endorsements attached to the spirits, beer, and wine restaurant  
36 license. This section does not prohibit a brewery or microbrewery  
37 holding a spirits, beer, and wine restaurant license or a beer and/or

1 wine license under chapter 66.24 RCW operated on the premises of the  
2 brewery or microbrewery from holding a second retail only license at a  
3 location separate from the premises of the brewery or microbrewery.

4 (d) Nothing in this section prohibits retail licensees with a  
5 caterer's endorsement issued under RCW 66.24.320 or 66.24.420 from  
6 operating on a domestic winery premises.

7 (e) Nothing in this section prohibits an organization qualifying  
8 under RCW 66.24.375 formed for the purpose of constructing and  
9 operating a facility to promote Washington wines from holding retail  
10 licenses on the facility property or leasing all or any portion of such  
11 facility property to a retail licensee on the facility property if the  
12 members of the board of directors or officers of the board for the  
13 organization include officers, directors, owners, or employees of a  
14 licensed domestic winery. Financing for the construction of the  
15 facility must include both public and private money.

16 (f) Nothing in this section prohibits a bona fide charitable  
17 nonprofit society or association registered under section 501(c)(3) of  
18 the internal revenue code, or a local wine industry association  
19 registered under section 501(c)(6) of the internal revenue code as it  
20 exists on July 22, 2007, and having an officer, director, owner, or  
21 employee of a licensed domestic winery or a wine certificate of  
22 approval holder on its board of directors from holding a special  
23 occasion license under RCW 66.24.380.

24 (g)(i) Nothing in this section prohibits domestic wineries and  
25 retailers licensed under chapter 66.24 RCW from producing, jointly or  
26 together with regional, state, or local wine industry associations,  
27 brochures and materials promoting tourism in Washington state which  
28 contain information regarding retail licensees, domestic wineries, and  
29 their products.

30 (ii) Nothing in this section prohibits: (A) Domestic wineries,  
31 domestic breweries, microbreweries, and certificate of approval holders  
32 licensed under this chapter from listing on their internet web sites  
33 information related to retailers who sell or promote their products,  
34 including direct links to the retailers' internet web sites; and (B)  
35 retailers licensed under this chapter from listing on their internet  
36 web sites information related to domestic wineries, domestic breweries,  
37 microbreweries, and certificate of approval holders whose products

1 those retailers sell or promote, including direct links to the domestic  
2 wineries', domestic breweries', microbreweries', and certificate of  
3 approval holders' web sites.

4 (h) Nothing in this section prohibits the performance of personal  
5 services offered from time to time by a domestic winery or certificate  
6 of approval holder licensed under RCW 66.24.206(1)(a) for or on behalf  
7 of a licensed retail business when the personal services are (i)  
8 conducted at a licensed premises, and (ii) intended to inform, educate,  
9 or enhance customers' knowledge or experience of the manufacturer's  
10 products. The performance of personal services may include  
11 participation and pouring at the premises of a retailer holding a  
12 spirits, beer, and wine restaurant license, a wine and/or beer  
13 restaurant license, or a specialty wine shop license; bottle signings;  
14 and other similar informational or educational activities. A domestic  
15 winery or certificate of approval holder is not obligated to perform  
16 any such personal services, and a retail licensee may not require a  
17 domestic winery or certificate of approval holder to conduct any  
18 personal service as a condition for selling any alcohol to the retail  
19 licensee. Except as provided in RCW 66.28.150, the cost of sampling  
20 may not be borne, directly or indirectly, by any liquor manufacturer,  
21 importer, or distributor. Nothing in this section prohibits domestic  
22 wineries and retail licensees from identifying the wineries on private  
23 labels authorized under RCW 66.24.400, 66.24.425, and 66.24.450.

24 (i) Until July 1, 2007, nothing in this section prohibits a  
25 nonprofit statewide organization of microbreweries formed for the  
26 purpose of promoting Washington's craft beer industry as a trade  
27 association registered as a 501(c) with the internal revenue service  
28 from holding a special occasion license to conduct up to six beer  
29 festivals.

30 (j) Nothing in this section shall prohibit a manufacturer,  
31 importer, or distributor from entering into an arrangement with any  
32 holder of a sports/entertainment facility license or an affiliated  
33 business for brand advertising at the licensed facility or promoting  
34 events held at the sports entertainment facility as authorized under  
35 RCW 66.24.570.

36 (2) Financial interest, direct or indirect, as used in this  
37 section, shall include any interest, whether by stock ownership,  
38 mortgage, lien, or through interlocking directors, or otherwise.

1 Pursuant to rules promulgated by the board in accordance with chapter  
2 34.05 RCW manufacturers, distributors, and importers may perform, and  
3 retailers may accept the service of building, rotating and restocking  
4 case displays and stock room inventories; rotating and rearranging can  
5 and bottle displays of their own products; provide point of sale  
6 material and brand signs; price case goods of their own brands; and  
7 perform such similar normal business services as the board may by  
8 regulation prescribe.

9 (3)(a) This section does not prohibit a manufacturer, importer, or  
10 distributor from providing services to a special occasion licensee for:  
11 (i) Installation of draft beer dispensing equipment or advertising,  
12 (ii) advertising, pouring, or dispensing of beer or wine at a beer or  
13 wine tasting exhibition or judging event, or (iii) a special occasion  
14 licensee from receiving any such services as may be provided by a  
15 manufacturer, importer, or distributor. Nothing in this section shall  
16 prohibit a retail licensee, or any person financially interested,  
17 directly or indirectly, in such a retail licensee from having a  
18 financial interest, direct or indirect, in a business which provides,  
19 for a compensation commensurate in value to the services provided,  
20 bottling, canning or other services to a manufacturer, so long as the  
21 retail licensee or person interested therein has no direct financial  
22 interest in or control of said manufacturer.

23 (b) A person holding contractual rights to payment from selling a  
24 liquor distributor's business and transferring the license shall not be  
25 deemed to have a financial interest under this section if the person  
26 (i) lacks any ownership in or control of the distributor, (ii) is not  
27 employed by the distributor, and (iii) does not influence or attempt to  
28 influence liquor purchases by retail liquor licensees from the  
29 distributor.

30 (c) The board shall adopt such rules as are deemed necessary to  
31 carry out the purposes and provisions of subsections (1)(g) and (h) and  
32 (3)(a) of this section in accordance with the administrative procedure  
33 act, chapter 34.05 RCW.

34 (4) A license issued under RCW 66.24.395 does not constitute a  
35 retail license for the purposes of this section.

36 (5) A public house license issued under RCW 66.24.580 does not  
37 violate the provisions of this section as to a retailer having an  
38 interest directly or indirectly in a liquor-licensed manufacturer.

1       **Sec. 9.** RCW 66.28.040 and 2004 c 160 s 11 are each amended to read  
2 as follows:

3       Except as permitted by the board under RCW 66.20.010, no domestic  
4 brewery, microbrewery, distributor, distiller, craft distillery,  
5 domestic winery, importer, rectifier, certificate of approval holder,  
6 or other manufacturer of liquor shall, within the state of Washington,  
7 give to any person any liquor; but nothing in this section nor in RCW  
8 66.28.010 shall prevent a domestic brewery, microbrewery, distributor,  
9 domestic winery, distiller, craft distillery, certificate of approval  
10 holder, or importer from furnishing samples of beer, wine, or  
11 spirituous liquor to authorized licensees for the purpose of  
12 negotiating a sale, in accordance with regulations adopted by the  
13 liquor control board, provided that the samples are subject to taxes  
14 imposed by RCW 66.24.290 and 66.24.210, and in the case of spirituous  
15 liquor, any product used for samples must be purchased at retail from  
16 the board; nothing in this section shall prevent the furnishing of  
17 samples of liquor to the board for the purpose of negotiating the sale  
18 of liquor to the state liquor control board; nothing in this section  
19 shall prevent a domestic brewery, microbrewery, domestic winery,  
20 distillery, craft distillery, certificate of approval holder, or  
21 distributor from furnishing beer, wine, or spirituous liquor for  
22 instructional purposes under RCW 66.28.150; nothing in this section  
23 shall prevent a domestic winery, certificate of approval holder, or  
24 distributor from furnishing wine without charge, subject to the taxes  
25 imposed by RCW 66.24.210, to a not-for-profit group organized and  
26 operated solely for the purpose of enology or the study of viticulture  
27 which has been in existence for at least six months and that uses wine  
28 so furnished solely for such educational purposes or a domestic winery,  
29 or an out-of-state certificate of approval holder, from furnishing wine  
30 without charge or a domestic brewery, or an out-of-state certificate of  
31 approval holder, from furnishing beer without charge, subject to the  
32 taxes imposed by RCW 66.24.210 or 66.24.290, to a nonprofit charitable  
33 corporation or association exempt from taxation under section 501(c)(3)  
34 of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)) for use  
35 consistent with the purpose or purposes entitling it to such exemption;  
36 nothing in this section shall prevent a domestic brewery or  
37 microbrewery from serving beer without charge, on the brewery premises;  
38 nothing in this section shall prevent donations of wine for the

1 purposes of RCW 66.12.180; (~~and~~) nothing in this section shall  
2 prevent a domestic winery from serving wine without charge, on the  
3 winery premises; and nothing in this section shall prevent a craft  
4 distillery from serving spirits without charge, on the distillery  
5 premises subject to section 2 of this act.

6 **Sec. 10.** RCW 66.28.060 and 1933 ex.s. c 62 s 26 are each amended  
7 to read as follows:

8 Every distillery and craft distillery licensed under this title  
9 shall make monthly reports to the board pursuant to the regulations.  
10 No such distillery or craft distillery shall make any sale of spirits  
11 within the state of Washington except to the board and except as  
12 provided in section 2 of this act.

13 **Sec. 11.** RCW 66.28.150 and 2007 c 217 s 2 are each amended to read  
14 as follows:

15 A domestic brewery, microbrewery, domestic winery, distillery,  
16 craft distillery, distributor, certificate of approval holder, or its  
17 licensed agent may, without charge, instruct licensees and their  
18 employees, or conduct courses of instruction for licensees and their  
19 employees, including chefs, on the subject of beer, wine, or spirituous  
20 liquor, including but not limited to, the history, nature, values, and  
21 characteristics of beer, wine, or spirituous liquor, the use of wine  
22 lists, and the methods of presenting, serving, storing, and handling  
23 beer, wine, or spirituous liquor, and what wines go well with different  
24 types of food. The domestic brewery, microbrewery, domestic winery,  
25 distillery, craft distillery, distributor, certificate of approval  
26 holder, or its licensed agent may furnish beer, wine, or spirituous  
27 liquor and such other equipment, materials, and utensils as may be  
28 required for use in connection with the instruction or courses of  
29 instruction. The instruction or courses of instruction may be given at  
30 the premises of the domestic brewery, microbrewery, domestic winery,  
31 distillery, craft distillery, or authorized representative holding a  
32 certificate of approval, at the premises of a retail licensee, or  
33 elsewhere within the state of Washington.

34 **Sec. 12.** RCW 66.28.155 and 2004 c 160 s 15 are each amended to  
35 read as follows:

1 A domestic brewery, microbrewery, domestic winery, distillery,  
2 craft distillery, distributor, certificate of approval holder, or its  
3 licensed agent may conduct educational activities or provide product  
4 information to the consumer on the licensed premises of a retailer.  
5 Information on the subject of wine, beer, or spirituous liquor,  
6 including but not limited to, the history, nature, quality, and  
7 characteristics of a wine, beer, or spirituous liquor, methods of  
8 harvest, production, storage, handling, and distribution of a wine,  
9 beer, or spirituous liquor, and the general development of the wine,  
10 beer, and spirituous liquor industry may be provided by a domestic  
11 brewery, microbrewery, domestic winery, distillery, craft distillery,  
12 distributor, certificate of approval holder, or its licensed agent to  
13 the public on the licensed premises of a retailer. The retailer  
14 requesting such activity shall attempt to schedule a series of brewery,  
15 winery, authorized representative, (~~(or)~~) distillery, craft distillery,  
16 and distributor appearances in an effort to equitably represent the  
17 industries. Nothing in this section permits a domestic brewery,  
18 microbrewery, domestic winery, distillery, craft distillery,  
19 distributor, certificate of approval holder, or its licensed agent to  
20 receive compensation or financial benefit from the educational  
21 activities or product information presented on the licensed premises of  
22 a retailer. The promotional value of such educational activities or  
23 product information shall not be considered advancement of moneys or of  
24 moneys' worth within the meaning of RCW 66.28.010.

25 **Sec. 13.** RCW 66.40.140 and 1933 ex.s. c 62 s 88 are each amended  
26 to read as follows:

27 Whenever a majority of qualified voters voting upon said question  
28 in any such unit shall have voted "Against sale of liquor", the county  
29 auditor shall file with the liquor control board a certificate showing  
30 the result of the canvass at such election; and thereafter, except as  
31 hereinafter provided, it shall not be lawful for a liquor store to be  
32 operated therein nor for licensees to maintain and operate licensed  
33 premises therein except as hereinafter provided:

34 (1) As to any stores maintained by the board within any such unit  
35 at the time of such licensing, the board shall have a period of thirty  
36 days from and after the date of the canvass of the vote upon such  
37 election to continue operation of its store or stores therein.

1 (2) As to any premises licensed hereunder within any such unit at  
2 the time of such election, such licensee shall have a period of sixty  
3 days from and after the date of the canvass of the vote upon such  
4 election in which to discontinue operation of its store or stores  
5 therein.

6 (3) Nothing herein contained shall prevent any distillery, craft  
7 distillery, brewery, rectifying plant or winery or the licensed  
8 operators thereof from selling its manufactured product, manufactured  
9 within such unit, outside the boundaries thereof.

10 (4) Nothing herein contained shall prevent any person residing in  
11 any unit in which the sale of liquor shall have been forbidden by  
12 popular vote as herein provided, who is otherwise qualified to receive  
13 and hold a permit under this title, from lawfully purchasing without  
14 the unit and transporting into or receiving within the unit, liquor  
15 lawfully purchased by him outside the boundaries of such unit.

16 **Sec. 14.** RCW 66.24.210 and 2006 c 302 s 5, 2006 c 101 s 4, and  
17 2006 c 49 s 8 are each reenacted and amended to read as follows:

18 (1) There is hereby imposed upon all wines except cider sold to  
19 wine distributors and the Washington state liquor control board, within  
20 the state a tax at the rate of twenty and one-fourth cents per liter.  
21 Any domestic winery or certificate of approval holder acting as a  
22 distributor of its own production shall pay taxes imposed by this  
23 section. There is hereby imposed on all cider sold to wine  
24 distributors and the Washington state liquor control board within the  
25 state a tax at the rate of three and fifty-nine one-hundredths cents  
26 per liter. However, wine sold or shipped in bulk from one winery to  
27 another winery shall not be subject to such tax.

28 (a) The tax provided for in this section shall be collected by  
29 direct payments based on wine purchased by wine distributors.

30 (b) Except as provided in subsection (7) of this section, every  
31 person purchasing wine under the provisions of this section shall on or  
32 before the twentieth day of each month report to the board all  
33 purchases during the preceding calendar month in such manner and upon  
34 such forms as may be prescribed by the board, and with such report  
35 shall pay the tax due from the purchases covered by such report unless  
36 the same has previously been paid. Any such purchaser of wine whose  
37 applicable tax payment is not postmarked by the twentieth day following

1 the month of purchase will be assessed a penalty at the rate of two  
2 percent a month or fraction thereof. The board may require that every  
3 such person shall execute to and file with the board a bond to be  
4 approved by the board, in such amount as the board may fix, securing  
5 the payment of the tax. If any such person fails to pay the tax when  
6 due, the board may forthwith suspend or cancel the license until all  
7 taxes are paid.

8 (c) Any licensed retailer authorized to purchase wine from a  
9 certificate of approval holder with a direct shipment endorsement or a  
10 domestic winery shall make monthly reports to the liquor control board  
11 on wine purchased during the preceding calendar month in the manner and  
12 upon such forms as may be prescribed by the board.

13 (2) An additional tax is imposed equal to the rate specified in RCW  
14 82.02.030 multiplied by the tax payable under subsection (1) of this  
15 section. All revenues collected during any month from this additional  
16 tax shall be transferred to the state general fund by the twenty-fifth  
17 day of the following month.

18 (3) An additional tax is imposed on wines subject to tax under  
19 subsection (1) of this section, at the rate of one-fourth of one cent  
20 per liter for wine sold after June 30, 1987. After June 30, 1996, such  
21 additional tax does not apply to cider. An additional tax of five one-  
22 hundredths of one cent per liter is imposed on cider sold after June  
23 30, 1996. All revenues collected under this subsection (3) shall be  
24 disbursed quarterly to the Washington wine commission for use in  
25 carrying out the purposes of chapter 15.88 RCW.

26 (4) An additional tax is imposed on all wine subject to tax under  
27 subsection (1) of this section. The additional tax is equal to twenty-  
28 three and forty-four one-hundredths cents per liter on fortified wine  
29 as defined in RCW 66.04.010(~~((41))~~) when bottled or packaged by the  
30 manufacturer, one cent per liter on all other wine except cider, and  
31 eighteen one-hundredths of one cent per liter on cider. All revenues  
32 collected during any month from this additional tax shall be deposited  
33 in the violence reduction and drug enforcement account under RCW  
34 69.50.520 by the twenty-fifth day of the following month.

35 (5)(a) An additional tax is imposed on all cider subject to tax  
36 under subsection (1) of this section. The additional tax is equal to  
37 two and four one-hundredths cents per liter of cider sold after June

1 30, 1996, and before July 1, 1997, and is equal to four and seven one-  
2 hundredths cents per liter of cider sold after June 30, 1997.

3 (b) All revenues collected from the additional tax imposed under  
4 this subsection (5) shall be deposited in the health services account  
5 under RCW 43.72.900.

6 (6) For the purposes of this section, "cider" means table wine that  
7 contains not less than one-half of one percent of alcohol by volume and  
8 not more than seven percent of alcohol by volume and is made from the  
9 normal alcoholic fermentation of the juice of sound, ripe apples or  
10 pears. "Cider" includes, but is not limited to, flavored, sparkling,  
11 or carbonated cider and cider made from condensed apple or pear must.

12 (7) For the purposes of this section, out-of-state wineries shall  
13 pay taxes under this section on wine sold and shipped directly to  
14 Washington state residents in a manner consistent with the requirements  
15 of a wine distributor under subsections (1) through (4) of this  
16 section, except wineries shall be responsible for the tax and not the  
17 resident purchaser.

18 **Sec. 15.** RCW 66.24.481 and 1969 ex.s. c 250 s 2 are each amended  
19 to read as follows:

20 No public place or club, or agent, servant or employee thereof,  
21 shall keep or allow to be kept, either by itself, its agent, servant or  
22 employee, or any other person, any liquor in any place maintained or  
23 conducted by such public place or club, nor shall it permit the  
24 drinking of any liquor in any such place, unless the sale of liquor in  
25 said place is authorized by virtue of a valid and subsisting license  
26 issued by the Washington state liquor control board, or the consumption  
27 of liquor in said place is authorized by a special banquet permit  
28 issued by said board. Every person who violates any provision of this  
29 section shall be guilty of a gross misdemeanor.

30 "Public place," for purposes of this section only, shall mean in  
31 addition to the definition set forth in RCW 66.04.010(~~(+24)~~), any  
32 place to which admission is charged or in which any pecuniary gain is  
33 realized by the owner or operator of such place in selling or vending  
34 food or soft drinks.

35 NEW SECTION. **Sec. 16.** Section 3 of this act expires July 1, 2008.

1        NEW SECTION.   **Sec. 17.**   Section 4 of this act takes effect July 1,  
2   2008.

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